



COUNTY OF LOS ANGELES
Internal Services Department

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Dave Lambertson
Director

To enrich lives through effective and caring service.

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To: Each Supervisor

From: Dave Lambertson 
Interim Director

Subject: **QUARTERLY REPORT ON LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM**

This report is to provide your Board with the quarterly results of the Local Small Business Enterprise (SBE) Preference Program for the period between January 1, 2007 and March 31, 2007.

Background

The Local SBE Preference Program became effective October 28, 2002. The Program is designed to enhance contracting and procurement opportunities for local small businesses within the County by providing a five percent (5%) bid price reduction to bids submitted by certified Local SBEs.

The Local SBE Program is modeled on the State of California's small business preference program and utilizes the State's certification of small business status as a requirement for the County's certification of Local SBE status. In addition to State certification, the County's Local SBE Program requires a small business to have its principal office currently located within the County for a period of at least the past twelve months.

During the past year, ISD's Purchasing Division continued to train County departments on the local Small Business Enterprise Preference program requirements as part of our regular procurement training program. This training has also been incorporated in our regular curriculum for the Office of Small Business training sessions held at trade fairs and vendor workshops.

Program Participation Matrix

The following table depicts the purchasing and contracting award and payment information related to certified, Local SBEs for the Third Quarter of Fiscal Year 2006-07, as well as the current Fiscal Year (to date) and the previous Fiscal Year information:

	3 rd Quarter FY 2006-2007	Fiscal Year 2006-2007 (To Date)	Fiscal Year 2005-2006 (Totals)
Total Number of Purchasing and Contract Awards to Certified Local SBEs (County-wide)	3,106	6,948	8,852
Total Dollar Value of Purchase Orders and Contracts Awarded to Local SBEs (County-wide)	\$15,137,871	\$37,734,721	\$59,939,738
Total Number of Purchase Orders and Contract Awards to All Vendors (County-wide)	187,207	501,988	640,503
Total Dollar Value of Purchase Orders and Contract Awards to All Vendors (County-wide)	\$1,192,055,772	\$4,970,553,698	\$4,471,568,048

The above data was obtained from eCAPS using our recently implemented Cognos reporting tool that captures all local SBE award and payment activity.

ISD also monitors the cost of granting a 5% bid preference over the low bid for certified Local SBEs. Since the implementation of the Local SBE Preference Program in October 2002 to date, the cumulative cost of granting the 5% cost preference over the low bid has been \$447,340.

Since our last report on February 8, 2007, I am pleased to inform your Board that we have trained and rolled out the on-line capability to the County's Small Business Commissioners, and also to the County's departmental Small Business Liaisons. My staff is currently working with your Board deputies to schedule and provide them with the requisite training in this on-line application.

If you have any additional questions regarding the program, please call me directly, or your designated staff may contact Joe Sandoval, ISD Purchasing Division Manager, at (323) 267-2670.

DL:j

c: ISD Board Deputies
Chief Administrative Officer
Department Heads
Los Angeles County Small Business Commission